



D4 Small Business Council Meeting Minutes

DATE: April 17, 2018

TIME: 1:00- 2:30pm

LOCATION: District 4, Executive Conference Room-15-240, 111 Grand Ave., Oakland, CA

<u>D4 CALTRANS STAFF:</u> James Davis, ADD Dan McElhinney CDDD Lenka Culik-Caro, DDD Design Premjit Rai, DDD Administration Damien Harris, Business Mgmt. Ayanna Nobles, SBP Francisco Padilla, Consultant Services Stan Ng, Maintenance Khalilah Smith, SBP Derek Sampson, SBP <u>HQ/AGENCY STAFF:</u> Damon Dorn, OBEO	<u>MEMBERS (Present/Absent)</u> Arvin Chaudhary (P) Diana LaCome (A) Eddy Lau (P) Frederick Jordan (P) Paul Guerrero (A) Peter Ramirez (A) Shari Tavafrashti (P) Danny Garza (P)	<u>REPRESENTING</u> ACEC CA NCA AAAE SFAACC La Raza Roundtable SDVOC WTS M.A.P.A
	<u>ALTERNATES (Present/Absent)</u> Anthony DeVenuta (A) Charissa Frank (A) Dr. Caesar Churchwell (A) Ellen Lee (P) Miguel Barragan (A) Raewyn Butcher (A) Victor Garza (A)	<u>REPRESENTING</u> SDVOC WTS SFAACC AAAE NCA ACEC CA La Raza Roundtable
	<u>GUESTS:</u>	<u>REPRESENTING</u>

Item #1: Introductions

Chief Deputy District Director, Dan McElhinney, welcomed everyone to the April meeting. Mr. McElhinney spoke on the importance of the small business program and how essential the Small Business Council is to the program. Mr. McElhinney introduced Acting District Director James Davis. Mr. Davis commented on the importance and need for small business to be successful. After introductions, Mr. McElhinney lead us through the agenda.

Item #2: Approval of Minutes

February 20th, 2018 Minutes: Opposed: None. Approved by consensus

Item #3: District 4 Updates

Construction Update:

Mr. McElhinney introduced Mr. Robert Kobal, who presented the Construction report. Mr. Kobal reported that there were 20 *Advertised and Upcoming Projects*, totaling approximately \$76.5M. He mentioned one project (04-155001) with high dollar value, the installation of a fiber optic communication system between Caltrans HQ 111 Grand to Carquinez Toll Plaza valued at \$32M. Mr. Kobal reported that there were 6 projects *Currently Awaiting Award*. He highlighted two contracts, (04-4G8501, 04-2640N1) which exceeded DVBE Certification Goals. Mr. Kobal referring to the third section, *Projects Awarded*, reported one contract (04-4G8101) exceeding goals, two other projects (04-0Q5301, 04-014111) exceeded goals, both utilizing the DVBE incentive. Mr. Kobal referred to *Projects Ready to List but Not Funded for Advertisement Yet*, there are 7 projects. He mentioned out of the seven projects there are two projects (07-325701 and 07-312301) being advertised for district 7. Lastly, he mentioned the *PS&E Completed Projects*, Mr. Kobal stated, there are 3 PS&E projects (04-0Q7301, 04-1K3401, 04-4G9201) not ready to list, but are expected by the end of the month. Mr. McElhinney highlighted *Advertised and Upcoming Projects* (04-3K6701) with BID preference incentive up to \$250,000 for DVBE participation, he also mentioned *Projects Currently Awaiting Award* (04-0Q5201) and *Projects Awarded* (04-0Q5301 and 04-014111), have BID preference incentive as well. Mr. McElhinney suggested that during our outreach we mentioned the BID preference incentive up to \$250,000 for DVBE participation. Mr. McElhinney, mentioned the SB1 projects list should be ready in another week and should be provided once it is available. Mr. Davis noted that there is a distinction between SB1, federally funded or SB1 being 100% State funded only. Ms. Tavafrashti asked how these projects are funded, so that requirements can be clarified as to the DVBE incentives. Mr. McElhinney agreed that the SBE requirements on SB1 projects should be clarified. Ms. Tavafrashti also asked, what are the requirements for SBE participation with SB1 funded projects. It was explained that if the project is State funded the SBE/DVBE participation would apply and likewise if the project is federally funded the DBE participation would apply. Ms. Tavafrashti asked if there is a distinction between projects listed that are SBE/DVBE SB1 and DBE SB1 funded projects? Mr. Davis stated that we can look into seeing if a distinction can be made, Mr. McElhinney noted that currently there's over \$200M in projects for this fiscal year and next fiscal year. With SB1 projects the number and value of projects will increase over the next 10 years and beyond.

Maintenance Update:

Mr. McElhinney introduced Mr. Stan Ng who provided the Maintenance report. Mr. Ng reported that for the Fiscal Year (FY) 17/18 there were 18 contracts on the *Director's Order Force Account/ELB* that totaled approximately \$44M. He explained that 4% awarded to SBE. He explained that the yellow highlights were updates since the last meeting. Lines 14-18, are new contracts to report. Mr. Ng also reported on two new contracts not reflected in his report. Referring to the *District Director's Approved Order*, he reported the contracts are for homeless encampment removals located in the San Jose area. One contract is for \$5.4M. The other is for \$4.7M. Both contracts have not been awarded to date. Mr. Ng also mentioned two other contracts, one totaling \$560K for the Bay Bridge West Approach Seismic Joint Headers, the other a Supplemental Director's Order for \$ 500K for an ongoing project. Mr. Ng, reported 18 contracts, on the *District Director's Orders Force Account*, that 62% were awarded to SBEs and 38% to Non-SBEs. Mr. Ng explained that the yellow highlights were updates since the last meeting. Lines 12-14 and 16, 17 are new contracts to report. Ms. Tavafrashti

asked question regarding Minor B contract limits. She was informed that the limit has been raised to 314K. Mr. McElhinney asked about the atmosphere of the current market and referenced the Directors orders to increase the Small Business. Mr. Ng replied SBE's are very thin on the structure side of construction. Ms. Tavafrashti asked about an analysis of the type of SBE's needed to encourage participation. Ms. Tavafrashti asked Mr. Ng if he was in contact with the women in construction group. Mr. Ng replied No. Ms. Tavafrashti offered to connect him with the group. The contact person is Lee Cunningham, Ms. Tavafrashti will forward the contact information. Mr. Lau asked how were the Contractors are selected? Mr. Ng referred to a list of contractors that have expressed interest in doing emergency contracts. From this list contractors are selected. Mr. Lau asked if DVBE's and DVE's could be included on the List. Mr. Ng referred to a contractor registry where contractors can go to be put on the list. Mr. McElhinney asked as an **[Action Item #2018- 03 Ms. Nobles]** to send link with instructions on how to sign up on the contractor's registry for emergency contract projects.

Design Update:

Mr. McElhinney introduced Ms. Lenka Culik-Caro who presented the Design Report. Ms. Culik-Caro reported five *Proposed Minor B Projects for Small Businesses, FY 17/18*. She explained that projects #1-3 have been completed. Projects #4, and #5 have been delayed, project #4 delayed due to unforeseen hydraulic design challenges and difficulty coordinating with the City of San Leandro, Project #5, delayed because of accelerated SB1 funded projects, however both will be delivered by December 2018. Ms. Culik-Caro also mentioned 1 *Proposed Project under \$314K not Funded from the Minor B Program*, estimated at \$100K. The project is waiting for CTC fund allocation, scheduled May 2018.

A&E Update:

Mr. McElhinney introduced Mr. Francisco Padilla to provide the A&E Report. Mr. Padilla reported on the *13 Recently Executed A&E Contracts* valued at \$46M. He mentioned that 9 of the 13 contracts were awarded to Calmentor Members. One contract awarded to DBE, two contracts awarded to DVBE, with SBE and DVBE goals. Mr. Padilla reported one contract 04-A5324 was funded with SB1 funding. Mr. Padilla reported that there were *12 recently executed Non- A&E Contracts* valued at \$36M. He mentioned that 6 of these contracts have been awarded to SBE Primes, 2 contracts awarded to DBE Primes, 4 contracts with 100% SBE goals. Mr. Padilla reported that there were *7 Upcoming New A&E Contracts*. Contract 04-A5420 has completed the advertisement phase waiting execution of contract end of April 2018. Two contracts (04NEW530-18 and 04NEW531-18) will be advertised in April 2018, two contracts (04NEW545-18 and 04NEW546-18) will be advertised in May 2018, and two contracts (04NEW551-18 and 04NEW555-18) will be advertised in June 2018. Mr. Padilla reported that there were *4 Upcoming Non- New A&E Contracts*. Three of these contracts (04A5462, 04ANEW550-18 and 04A5432) have 100% SBE goals. Two of the four (04A5391 and 04A5432) have completed advertisement phase. Mr. Padilla reported on the *Federal Funded Contracts identifiable DBE dollars*. Mr. Padilla reported the total DBE goal is at 31.42% based on dollars. Mr. Jordan commented on the African American participation is very low. Mr. McElhinney responded asking Mr. Jordan about focused outreach with his assistance. Mr. Padilla reported on the *State Funded Contracts identifiable DVBE, and SBE dollars*. He reported that DVBE is currently at 18.78% and SBE is 36.35%. Ms. Tavafrashti asked question about certification dates of contracts. Secondary question asked is what percentage of the same SBE are receiving the same work? The Action Item to be elevated to Statewide from Ms. Tavafrashti is to conduct an analysis of the

procedure in place to self-audit the involvement of SBE's, and DBE's during the course of a contract upon renewal when the DBE or SBE no longer meet the criteria. Mr. Chaudhary asked a question regarding Contract 04-A5045 with Caltrans DVBE goals shown at 3%. He asked if that should be 5%, which is in line with Caltrans standard for new contracts. **[Action Item#2018-04 Mr. Padilla]**

Research the two projects on the A&E Project list regarding the 3% DVBE Goals, to verify if the goal should be 3% or 5%. Mr. Jordan asked if a list could be compiled of a percentage of DVBE primes and/or DBE primes who could take turn as projects come available. He stated this would make it more competitive. Ms. Lee suggested when SBE Primes, and DBE Primes select sub-contractors from the list, they should be encouraged to rotate new sub-contractors, so all get an opportunity. District 4 Small Business council asked as an action Item to be elevated to State-Wide Council for further consideration to look back 5 years at DBE Primes, and SBE Primes to check the data base of the A&E selection list, as to the frequency of work given to the same sub-contractor. Mr. Padilla reported on the Calmentor/Mentor-Protégé Program, 60 pairs: 59 Graduates with 1 active pair. Total number of Mentor firms 25, total number of Protégés 109. He also mentioned the Annual Calmentor Awards Luncheon & Business Networking event, scheduled for May 4, 2018. The next two quarterly meeting will be on July 26th and October 25.

OBEO Update

Mr. McElhinney introduced Mr. Damon Dorn to report the OBEO Update. Mr. Dorn reported that OBEO has placed SB1 advertisements in 27 targeted print media publications and 25 publications have already published the advertisement. The ads have been translated into 7 different languages: Chinese, Hindi, Japanese, Korean, Punjabi, Spanish, and Vietnamese. The SB1 twitter activity continues once every four days In March 2018, 13,737 users saw the SB1 related tweets. February 2018 saw 21,051 SB1 related tweets. Mr. Dorn relayed on April 9th, 2018 the OBEO met with representatives of the California Hispanic Chamber of Commerce, as well as the California Asian Pacific Chamber of Commerce to discuss opportunities to increase outreach to small businesses in these communities, OBEO is also scheduled to meet with the California Black Chamber of Commerce on April 25, 2018. Meetings with additional chambers of commerce and business assistance organizations are planned as a part of SB 1 outreach efforts. Mr. Dorn informed the council that OBEO debuted its newest training module, "Doing Business with Caltrans: Getting Started" at the North Region's procurement fair on March 7, 2018, in West Sacramento which included Districts 1, 2, and 3. Sessions have been scheduled for all 12 Caltrans Districts and is open to all businesses. The OBEO delivered 4 training workshops in district 5 as well as district 3. The OBEO is scheduled to provide trainings in District 4 on June 6th and 7th. Regarding the disparity Study Mr. Dorn stated Caltrans anticipates posting the disparity study report and proposed overall DBE goal and methodology for fiscal 2019-21 in April 2018, with public and industry comment meetings held shortly after. Regarding the *DBE Supportive Services Contract (DBE/SS)* proposals for the northern, and central regions were completed last week, more information will be released over the next few weeks regarding contract award. The DBE Supportive Services Contract (DBE/SS) proposal for the Southern Region has been re-advertised with a new solicitation number, (88A0117). For more information regarding this solicitation visit Cal eProcure to view a copy of the solicitation Package. Mr. Dorn stated regarding the *On-the-Job Training Supportive Services Contract (OJT/SS)* apprenticeship program, that the OBEO is working with Caltrans' Division of Procurement and Contracts to process 3 contract packages for cement mason and ironworker apprenticeship programs in northern and central California. The OBEO anticipates these programs will begin June

2018. One contract will target iron workers, one will target cement masons and the third will target women ironworkers. Regarding the *DBE, and DVBE Participation Totals*, Caltrans awarded 233 USDOT assisted contracts (major construction, minor construction, A&E, and local public agency contracts) totaling \$1.1B. The overall DBE commitment for the 233 contracts is 13.56% and eighteen of the 233 contracts were awarded to DBE primes. In the current fiscal year Caltrans has awarded 400 state-funded contracts totaling more than \$741M. The overall DVBE commitment for the 400 contracts this current fiscal year is 4.93% and six contracts have been awarded to DVBE primes and 191 contracts awarded to SB primes.

Small Business Update

Mr. McElhinney introduced Ms. Ayanna Nobles to provide the Small Business Update. Ms. Nobles introduced the two new small business liaisons Khalilah Smith, and Derek Sampson. Ms. Nobles reported in March 2018, the small business program (SBP) attended several outreach events. The Golden Gate Business Association Western Business Alliance LGBT Economic Summit and Power Lunch. The SBP has held several pre-small business outreach meetings in preparation for the Small Business Construction Outreach being held on April 27, 2018. The SBP held a small business procurement fair on March 29, 2018, a bi-annual event, and will be holding a second fair in October 2018. Ms. Nobles, stated on May 15, 2018, the SBP will be attending the SB/DVBE Advocate Workshop presented by the Department of General Services Procurement Division (DGS-PD) West Sacramento CA.

Item #4: Review of Action Items

Mr. Harris reported on the open Action Items. Mr. Harris stated that there were two pending action items. The first item #2018-01 was for Mr. Dorn, Ms. Tavafrashti asked, what are the requirements for SBE participation with SB1 projects whether Federalized or not and effective when? Mr. Dorn stated that SB1 has made it mandatory for Caltrans to meet the 25% business participation goals, for utilizing small businesses as set forth by SB 103. Mr. Dorn referenced the Caltrans SB1 web page called rebuildingca@ca.gov which provides information on how the funding will be spent along with other links with valuable information, **Action Item #2018-01** is closed. The second action item #2018-02 for Mr. Dorn, the council members asked that a goal setting analysis from OBEO be presented at the next meeting to answer goal setting questions. Mr. Lau reported that the report has not been released to date. Group was satisfied with the response and **Action Item #2018-02** is closed. Mr. Dorn mentioned and wanted to re-emphasize regarding the small business participation, the OBEO wanted the make sure prime contractors are aware of the 5% bid preference available to them when they utilize 25% or more small business participation on a Caltrans State funded contract. A question was asked by Mr. Lau if there are any penalties for primes who do not use the 25% utilization of a small business but were given the 5% DBE credit at the end of the contract. The question asked was not satisfactorily answered by Mr. Dorn. Mr. McElhinney explained that more specifics will need to be reviewed.

Item #5: New Business

No New Business

Item #6: Adjourn

Mr. McElhinney adjourned the April meeting and said that the next meeting would be on Tuesday, June 19th, 2018.

District 4 Small Business Council Action Items as of April 17, 2018:

No. / Starting Date / Assignee			Item Description (Originator)
#2018-01 Closed	2/20/18	Damon Dorn, OBEO	Ms. Tavafrashti asked, what are the requirements for SBE participation with SB1 projects whether Federalized or not and effective when
#2018-02 Closed	2/20/18	Damon Dorn, OBEO	The council members asked that a goal setting analyst from OBEO be present at the next meeting to answer goal setting questions
# 2018-03 Open	4/17/18	Ayanna Nobles	Provide a link with instructions on how to sign up on the contractor's registry for emergency contract projects.
# 2018-04 Open	4/17/18	Francisco Padilla	Research the two projects on the A&E Project list regarding the 3% DVBE Goals, to verify if the goal should be 3% or 5

The D4 SBC meets every other month in the Executive Conference Room 15-240, 111 Grand Avenue, Oakland, CA 94612. Meetings begin at 1pm and run until about 2:30pm.

2018 D4 SBC Upcoming Meeting Schedule

June 19th
August 21st
October 16th
December 18th